217-782-2113 <u>CERTIFIED MAIL</u>

## ACID RAIN PROGRAM PERMIT

Dynegy Midwest Generation, Inc.

Attention: Kristopher Coombs, Designated Representative

2828 North Monroe Street Decatur, IL 62526-3269

Oris No.: 897

IEPA ID No.: 183814AAA

Source/Unit: Vermilion/Units 1 and 2
Date Received: December 10, 2003

Date Issued:

Effective Date: January 1, 2005 Expiration Date: December 31, 2009

#### STATEMENT OF BASIS:

In accordance with Titles IV and V of the Clean Air Act, the Illinois Environmental Protection Agency is issuing this Acid Rain Program Permit to Dynegy Midwest Generation, Inc. for its Vermilion Power Station.

# SULFUR DIOXIDE ( $SO_2$ ) ALLOCATIONS AND NITROGEN OXIDES ( $NO_x$ ) LIMITS FOR EACH AFFECTED UNIT:

	SO <sub>2</sub> Allowances,	2005	2006	2007	2008	2009
	under Tables 2, 3,					
UNIT 1	or 4 of 40 CFR	2834	2834	2834	2834	2834
	Part 73					
	NO <sub>x</sub> limit	See provisions for NO <sub>x</sub> Averaging Plan, below				

	SO <sub>2</sub> Allowances,	2005	2006	2007	2008	2009
	under Tables 2, 3,					
UNIT 2	or 4 of 40 CFR	3830	3830	3830	3830	3830
	Part 73					
	NO <sub>x</sub> limit	See provisions for NO <sub>x</sub> Averaging Plan, below				

### NO<sub>x</sub> EMISSIONS AVERAGING PLAN

Pursuant to 40 CFR 76.11, the Illinois EPA approves a NOx emissions averaging plan that includes the above affected units, effective for calendar years 2005 through 2009 (attached). Under this plan, except as provided below, the NOx emissions of

Vermilion Units 1 and 2, each shall not exceed the annual average alternative contemporaneous emission limitation of 0.50 lb/mmBtu. In addition, Vermilion Units 1 and 2 shall not have an annual heat more than 5,000,000 mmBtu and 7,000,000 mmBtu, respectively.

Under this plan, the actual Btu-weighted annual average NOx emission rate for the units in the plan shall be less than or equal to the Btu-weighted annual average NOx emission rate for the same units had they each been operated during that calendar year in compliance with the applicable emission limitation under 40 CFR 76.5, 76.6, or 76.7. If the designated representative demonstrates that the requirement of the prior sentence (as set forth in 40 CFR 76.11(d)(1)(ii)(A)) is met for a year under the plan, then the units covered by the plan shall be deemed to be in compliance for that year with their alternative contemporaneous annual emission limitations and any annual heat input limits.

**PERMIT APPLICATION:** The permit application, including the NOx Compliance Plan and NOx Averaging Plan, is attached and incorporated as part of this permit. The owners and operators of this source must comply with the standard requirements and special provisions set forth in the application.

**COMMENTS, NOTES, AND JUSTIFICATIONS**: This permit contains provisions related to  $SO_2$  emissions and requires the owners and operators to hold  $SO_2$  allowances under the federal Acid Rain program to account for  $SO_2$  emissions from the affected units. An allowance is a limited authorization to emit up to one ton of  $SO_2$  during or after a specified calendar year. The transfer of allowances to and from a unit account does not necessitate a revision to the unit  $SO_2$  allocations denoted in this permit (See 40 CFR 72.84).

This permit contains provisions related to NOx emissions requiring affected units to comply with applicable emission limitations for NOx under the Acid Rain program. Pursuant to 40 CFR 76.11, the Illinois EPA is approving a NOx emission averaging plan that includes Vermilion Units 1 and 2 for calendars years 2005 though 2009. (The Illinois EPA is not approving the plan for 2010, which is beyond the term of the permit.) In addition to the described  $NO_X$  compliance plan, each unit shall comply with all other applicable requirements of 40 CFR Part 76, including the duty to reapply for a  $NO_X$  compliance plan and requirements covering excess emissions.

This permit does not affect the source's responsibility to meet all other applicable local, state and federal requirements, including state requirements under 35 III. Adm. Code Part 217 Subpart W, which addresses NOx emissions from Vermilion Units 1 and 2.

If you have any questions regarding this permit, please contact Kunj Patel at 217-782-2113.

Dynegy Midwest Generation Vermilion Draft Acid Rain Phase II Permit Page 3

Donald E. Sutton, P.E. Manager, Permits Section Division of Air Pollution Control

cc: Cecilia Mijares, USEPA Region V John Justice, IEPA Region 3



### **Acid Rain Permit Application**

For more information, see instr	uctions and refer to 40 CFR 72.30 and 72.31	
This submission is: 🖸 New	Revised	

STEP 1

identify the source by plant name, State, and ORIS code.

Plant Name	Vermillen	State	ORIS Code 897	
LIBIT Malue		State	ON IS CODE	_

#### STEP 2

Enter the unit ID# for every affected unit at the affected source in column "a." For new units, enter the requested information in columns "c" and "d."

			d
Une ID#	Unit Will Hold Allowances in Accordance with 40 CFR 72.9(c)(1)	New Units Commence Operation Date	New Units Monitor Certification Deedline
1	Yes		
,	Yes		
	Yas		
	Yes		
	Yee		
	Yes		
	Yee		
	Yes		
	Yes		

#### Permit Requirements

#### STEP 3

Read the standard requirements

(1) The designated representative of each affected source and each affected unit at the source shall:

(i) Submit a complete Acid Rain permit application (including a compliance plan) under 40 CFR part 72 in accordance with the deadlines specified in 40 CFR 72 30; and

(ii) Submit in a timely manner any supplemental information that the permitting authority determines is necessary in order to review an Acid Rain permit application and issue or deny an Acid Rain permit:

(2) The owners and operators of each affected source and each affected unit at the

(i) Operate the unit in compliance with a complete Acid Rain permit application or a superseding Acid Rain permit issued by the permitting authority; and (ii) Heve an Acid Rain Permit.

#### Monitoring Requirements

(1) The owners and operators and, to the extent applicable, designated representative of each affected source and each affected unit at the source shall comply with the monitoring requirements as provided in 40 CFR part 75.

(2) The emissions measurements recorded and reported in accordance with 40 CFR part 75 shall be used to determine compliance by the unit with the Acid Rain emissions limitations and emissions reduction requirements for sulfur dioxide and nitrogen oxides

under the Acid Rain Program.

(3) The requirements of 40 CFR part 75 shall not affect the responsibility of the owners and operators to monitor emissions of other pollutants or other emissions characteristics at the unit under other applicable requirements of the Act and other provisions of the operating permit for the source.

#### Sulfur Dioxide Requirements

(1) The owners and operators of each source and each affected unit at the source shall: (i) Hold allowances, as of the allowance transfer deadline, in the unit's compliance subaccount (after deductions under 40 CFR 73.34(c)), or in the compliance subaccount of another affected unit at the same source to the extent provided in 40 CFR 73.35(b)(3), not less than the total annual emissions of sulfur dioxide for the previous

calendar year from the unit; and (ii) Comply with the applicable Acid Rain emissions limitations for sulfur dioxide. (2) Each ton of sulfur dioxide emitted in excess of the Acid Rain emissions limitations for sulfur dioxide shall constitute a separate violation of the Act.

(3) An affected unit shall be subject to the requirements under paragraph (1) of the sulfur

dioxide requirements as follows:

(i) Starting January 1, 2000, an affected unit under 40 CFR 72.6(a)(2); or

(ii) Starting on the later of January 1, 2000 or the deadline for monitor certification under 40 CFR part 75, an affected unit under 40 CFR 72.6(a)(3).

(4) Allowances shall be held in, deducted from, or transferred among Allowance Tracking System accounts in accordance with the Acid Rain Program.

(5) An allowance shall not be deducted in order to comply with the requirements under paragraph (1) of the sulfur dioxide requirements prior to the calendar year for which the

allowance was allocated. (6) An allowance allocated by the Administrator under the Acid Rain Program is a limited authorization to emit sulfur dioxide in accordance with the Acid Rain Program. No provision of the Acid Rain Program, the Acid Rain permit application, the Acid Rain permit, or an exemption under 40 CFR 72.7 or 72.8 and no provision of law shall be construed

to limit the authority of the United States to terminate or limit such authorization.

(7) An allowance allocated by the Administrator under the Acid Rain Program does not constitute a property right.

Plant Name (from Step 1)

STEP 3, Cont'd.

Nitrogen Oxides Requirements The owners and operators of the source and each affected unit at the source shall comply with the applicable Acid Rain emissions limitation for nitrogen oxides.

#### **Excess Emissions Requirements**

 The designated representative of an affected unit that has excess emissions in any calendar year shall submit a proposed offset plan, as required under 40 CFR part 77.
 The owners and operators of an affected unit that has excess emissions in any calendar year shall:

(i) Pay without demand the penalty required, and pay upon demand the interest on that penalty, as required by 40 CFR part 77; and (ii) Comply with the terms of an approved offset plan, as required by 40 CFR part 77.

### Recordkeeping and Reporting Requirements

Unless otherwise provided, the owners and operators of the source and each affected. unit at the source shall keep on site at the source each of the following documents for a period of 5 years from the date the document is created. This period may be extended for cause, at any time prior to the end of 5 years, in writing by the Administrator or permitting

authority:

- (i) The certificate of representation for the designated representative for the source and each affected unit at the source and all documents that demonstrate the truth of the statements in the certificate of representation, in accordance with 40 CFR 72.24; provided that the certificate and documents shall be retained on site at the source beyond such 5-year period until such documents are superseded because of the submission of a new certificate of representation changing the designated representative:
- (ii) All emissions monitoring information, in accordance with 40 CFR part 75, provided that to the extent that 40 CFR part 75 provides for a 3-year period for recordkeeping,

the 3-year period shall apply.

(iii) Copies of all reports, compliance certifications, and other submissions and all

records made or required under the Acid Rain Program; and,
(iv) Copies of all documents used to complete on Acid Rain permit application and any
other submission under the Acid Rain Program or to demonstrate compliance with the

requirements of the Acid Rain Program.

(2) The designated representative of an affected source and each affected unit at the source shall submit the reports and compliance certifications required under the Acid Rain Program, including those under 40 CFR part 72 subpart I and 40 CFR part 75.

#### Liability

(1) Any person who knowingly violates any requirement or prohibition of the Add Rain Program, a complete Adid Rain permit application, an Adid Rain permit, or an exemption under 40 CFR 72.7 or 72.8, including any requirement for the payment of any penalty owed to the United States, shall be subject to enforcement pursuant to section 113(a) of

(2) Any person who knowingly makes a false, material statement in any record, submission, or report under the Acid Rain Program shall be subject to criminal enforcement pursuant to section 113(c) of the Act and 18 U.S.C. 1001.

(3) No permit revision shall excuse any violation of the requirements of the Acid Rain

Program that occurs prior to the date that the revision takes effect.

(4) Each affected source and each affected unit shall meet the requirements of the Acid Rain Program.

### Step 3, Cont'd.

### Liability, Cont'd.

(5) Any provision of the Acid Rain Program that applies to an affected source (including a provision applicable to the designated representative of an affected source) shall also apply to the owners and operators of such source and of the affected units at the source. (6) Any provision of the Acid Rain Program that applies to an affected unit (including a (6) Any provision of the Acid Rain Program that applies to an affected unit (including a provision applicable to the designated representative of an affected unit) shall also apply to the owners and operators of such unit. Except as provided under 40 CFR 72.44 (Phase II repowering extension plans) and 40 CFR 76.11 (NO<sub>x</sub> averaging plans), and except with regard to the requirements applicable to units with a common stack under 40 CFR part 75 (including 40 CFR 75.16, 75.17, and 75.18), the owners and operators and the designated representative of one affected unit shall not be liable for any violation by any other effected unit of which they are not owners or operators or the designated representative. affected unit of which they are not owners or operators or the designated representative and that is located at a source of which they are not owners or operators or the designated representative.

(7) Each violation of a provision of 40 CFR parts 72, 73, 74, 75, 76, 77, and 78 by an affected source or affected unit, or by an owner or operator or designated representative

of auch source or unit, shall be a separate violation of the Act.

#### Effect on Other Authorities

No provision of the Acid Rain Program, an Acid Rain permit application, an Acid Rain permit, or an exemption under 40 CFR 72.7 or 72.8 shall be construed as:

(1) Except as expressly provided in title IV of the Act, exempting or excluding the owners and operators and, to the extent applicable, the designated representative of an affected course or affected unit from compliance with any other provision of the Act, including the provisions of title I of the Act relating to applicable National Ambient Air Quality Standards or State Implementation Plans

(2) Limiting the number of allowances a unit can hold; provided, that the number of allowances held by the unit shall not affect the source's obligation to comply with any other provisions of the Act;

(3) Requiring a change of any kind in any State law regulating electric utility rates and charges, affecting any State law regarding such State regulation, or limiting such State regulation, including any prudence review requirements under such State law;
(4) Modifying the Federal Power Act or affecting the authority of the Federal Energy Regulatory Commission under the Federal Power Act; or,

(5) Interfering with or impairing any program for competitive bidding for power supply in a State in which such program is established.

#### STEP 4

#### Certification

Read the certification sign, and doto

I am authorized to make this submission on behalf of the owners and operators of the affected source or affected units for which the submission is made. I certify under penalty of law that I have personally examined, and am familiar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false statements and information or omitting required statements and information, including the possibility of fine or imprisonment.

Name Kristopher Coombs	
Signature Kalomba	Date /2/02/03

EPA Form 7510-16 (rev. 10-01)

Δ	EDA	

Environmental	Protection	Agency
Acid Rain Proo	WEST .	-

CMB No. 2000-0258

	Phase II NO <sub>X</sub> Compliance Plan Page [] of [] For more information, see instructions and refer to 40 CFR 78.9 This submission is: [] New [] Revised					
STEP 1 indicate plant name, State, and ORIS code from NADB, if applicable	Plant Name		Vermilion		IL Sum	897 ORIS Code
STEP 2	identify oscil applicable. i boliom wal- indicate the	raffected Group 1 indicate boiler type fired, "T" for take compliance option	and Group 2 bol s: "CB" for cell b antially fired. "V" a selected for eac	ler using the boil urner, "CY" for c' for vertically fire th unit.	er ID# from NA yclone, "DBW" d. and WB" fo	DB, if for dry r wet bottom.
	1	2	ID#	ID#	De	D#
	Туре	Tyre-	Туре	Турм	Туря	Турм
(a) Standard annual eyenge emission limitation of 0.50 (bimeditu (for Phase I dry codost wall-fired Streets)					0	
(b) Standard senual average entrangen lightation of 0.45 (bimmettu (for Phase ) tangentially fired 6000ms)						
plan under 40 CFR 76.3 through 1201/07 (also indicate above emission limit specified to plan	n □					
(d) Standard ennual evenga extrement limitation of 0.46 (b/mettu (lor Phase II dry bottom vall-fired 505em)	0					
(e) Standard annual evence emission languon of v.e.0 lomestic (for Phase II tangentially fired Sollers)	0					
(f) Standard armual average archeton limitation of 9.60 lomestra (for cell burner bollers)						
(g) Standard annual average distance lighted on of 6.60 (b/mm8tu (for cyclone bollers)						
(h) Standard engusi average emission lightedon of 0.80 (h/medits (for verticelly fired boliers)						
(i) Standard ennual exerge emission limitation of 4.54 (https://doi.org/10.1001/ (https://doi.or						
III NO, Averaging Plan (include NO, Averaging Street)						
(k) Common stack persuant of CSP 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1				0		0
(i) Common stack pursuant to CFR 75,17(s)(20)(8) with NO. Averaging (shed) the NO. Averaging Plan box and finctud NO. Averaging form)	<sup>40</sup> □		ο.			

	ant Name (from	n Step 1)	Vermi	lion	NO, C	NO, Complence - Page 2 Page 2 of 2	
STEP 2, cont'd.	1 T	2 D≠ T	Type	Tipe	De Type	ID#	
(m) EPA-approved common stack apporting men in afford numeration AU-25 PA 11 (a)(2)(IHC), (a)(2)(IHB)(5), or (b)(2)							
ini AEL (include Phase II AEL Demonstration Period, Final AEL Patition or AEL Renewal form as appropriate)							
(a) Person for AEL demonstration period or final AEL under review by U.S. EPA or demonstration period origining							
(µ) Repowering extension plan approved or under review				0			

STEP 3
Read the standard requirements and certification, enter the name of the designated representative, sign &

#### Standard Requirements

General. This source is subject to the standard requirements in 40 CFR 72.9 (consistent with 40 CFR 75.8(b)(1)(t). These requirements are listed in this source's Acid Rain Permit.

#### Special Provisions for Early Election Units

histogen Crides. A unit that is governed by an approved early election plan shall be subject to an emissions. 
Imitation for NO, as provided under 40 CFR 76.5(a)(2) except as a provided under 40 CFR 76.8(a)(2)(0). 
Listably. The courses and operations in a unit governed by an approved early election plan shall be listile for any violation of the plan or 40 CFR 76.8 at that unit. The owners and operators shall be listile, beginning January 1, 2000, for fulfilling the obtainers specified in 40 CFR Part 77. 
Termination. An approved early election plan hall be in effect only until the earlier of January 1, 2008 or January 1 of the calendar year for which a termination of the plan takes effect. If the designated representative of the unit under 40 CFR 76.5 for any year during the period beginning January 1 of the tiest year the early election takes effect and ending December 31, 2007, the permitting authority will terminate the plan. The termination will take effect beginning January 1 of the year after the year for which there is a faiture to demonstrate compliance, and be designated representative may not submit a new early election plan may terminate the plan any year prior to 2008 but may not submit a new early election plan. In order to terminate the plan, the designated representative must submit a notice under 40 CFR 72.40(d) by January 1 of the year for which the termination is to take effect. If an early election plan is terminated on or after 2000, the unit shall meet, beginning January 1, 2000, the emission for NO, for Phase II units with Group 1 bollers under 40 CFR 76.7. If an early election plan is terminated on or after 2000, the unit shall meet, beginning on the effective date of the termination, the applicable emissions finitation for NO, for Phase II units with Group 1 bollers under 40 CFR 78.7.

#### Certification

I am authorized to make this submission on behalf of the owners and operators of the affected source or affected I am autorospec to make this submission of penal or the owners and operators of the affected source or affected wints for which the outprinted on a mode. I verify under prematy of lew the Li there personsity ownerhed, and an familiar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I contriby that the statements and information are to the best of my knowledge and betief true, accounts, and complete. I am aware that there are significant panalities for submitting folias statements and information or criticing inquired statements and information, including the possibility of fine or imprisonment.

	Kristopher Coombs	
Name		
Cigneture	Kallomilia de	Des 12/2/03

## Phase II NO<sub>x</sub> Averaging Plan

This submission is: X New Revised

Page 1 Page 1 of 2

#### STEP 1

Identify the units perticipating in this sveraging plan by plant name, State, and boller ID# from NADB. In column (s), fill in each units applicable emission imstation from 40 CFR 78.5, 78.5, or 78.7. In column (b), eacign en alternative contemporarreque atternative contemporareous annual emissions (ACFL) in lb/men8tu to each unit. In column (c), assign an annual heat input limitation in mm8tu to each unit. Continue to page 3 if necessary.

Plant Name	State	IDE	Emission Limitation	(b) AGEL	(c) AnnualHeatInputLimit
Hennepin	IL	1	0.40	0.40	4,000,000
Hennepin	IL	2	0.45	0.40	15,000,000
Vermilion	IL	1	0.45	0.50	5,000,000
Vermilion	IL	2	0.45	0.50	7,000,000

Lise the formula to enter the Btu-weighted annual emission rate averaged over the units if they are operated in accordance with the proposed averaging plan and the Btu-weighted annual average emission rate for the same units if they are operated in compliance with 40 CFR 75.5, 76.5, or 75.7. The former must be less than or equal to the latter.

Blu-weighted annual emission rate averaged over the units if they are operated in accordance with the proposed averaging plan

Bin weighted arrupt average emission rate for same units operated in compliance with 40 CFR 76.5, 76.6 or 76.7

0.44

0.44

$$\frac{\sum_{i=1}^{n} (R_{Li} \times HI_{i})}{\sum_{i=1}^{n} HI_{i}}$$

$$\frac{\sum_{j=1}^{n} |R_{2j} \times HI_{j}|}{\sum_{j=1}^{n} |HI_{j}|}$$

### Where,

- Ru
- Alternative contemporaneous annual emission limitation for unit i, in lb/mmBtu, as specified in column (b) of Step 1:
  Applicable emission limitation for unit i, in b/mmBtu, as specified in column (g) of Step 1:
  Annual heat input for unit i, in mmBtu, as specified in column (c) of Step 1:
  Number of units in the averaging plan

-00

- R,
- HI,

	Vermilion Plant Name (from Step 1)	NO, Averaging - Page 2
SIEP 3 Mark one of	This plan is effective for calendar year 2005 unless notification to terminate the plan is given	through catendar year 2010
end enter dates.	☐ Treat this plan as ☐ identical plans, each effective for one calendar year for the following	
		and unless notification to terminate
	one or more of these plans is given.	
	one or more or triese plans is given.	
STEP 4	Special Provisions	
Read the special	Each affected unit in an approved averaging plan is in completnos with the Add Rain verisation for NO, cation, enter the under the plan only if the following requirements are met:  (i) For each unit, the unit's actual annual average emission rate for the calendar year, in to himm8tu, is less than or	
provisions and certification, enter the		
representative, and sign and date.		
	76.5, 76.5, or 76.7.  (ii) Athere is a successful group showing of compliance upwer, then all units in the averaging plan shall be deemed contemporaneous emission limitations and annual his	nder 40 CFR 75.11(d)(1)(l)(A) and (B) for a calendar to be in compliance for that year with their atternative
	Liability	
	The owners and operators of a unit governed by an approved areasy by plan shall be lebtle for any violation of the plan or this section at that unit or any other unit in the plan, including liability for fulfilling the obligations specified in part 77 of this chapter and sections 113 and 411 of the Act.	
	<u>Termination</u>	
	The designated representative may submit a notification to terminate an approved averaging plan, in accordance with 40 CFR 72.48(d), no later than October 1 of the calendar year for which the plan is to be terminated.	
	Certification	
	I am authorized to make this submission on behalf of the owners and operators of the affected source or affected units for which the submission is made. I usually under penetry of the that I have personally examined, and am farmisar with, the statements and information submitted in this document and all its attachments. Besed on my inquiry of thisse inchinitudes with primery responsibility for obtaining the information, it certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are sty afternil periodical for extending this abstraction of information or omitting required statements and information, including the possibility of fine or imprisonment.	
	Name Kristophor Coombs	
	Signature / allormlis Si	Date 12/2/03